

The Honorable Brian D. Lynch
Chapter: 11
Hearing Date: September 29, 2010
Hearing Time: 9:00 a.m.
Hearing Location: Tacoma, Courtroom I
Response Date: September 22, 2010

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In Re:

HAWKS PRAIRIE INVESTMENT, LLC
Debtor.

No. 10-46635-BDL

DECLARATION OF MARK E.
AHLSTEDT IN SUPPORT OF MOTION
FOR APPLICATION OF THE SINGLE
ASSET REAL ESTATE RULES

Mark E. Ahlstedt, under penalty of perjury states:

1. I am Vice President and Senior Special Assets Manager for HomeStreet Bank (“HomeStreet”). HomeStreet holds substantial secured claims against the assets of the Debtor in this case.

2. I am familiar with the Debtor’s development project located in Lacey, Washington. The project consists of several contiguous parcels of real property located immediately northwest of Interstate 5. While the development is large at just under 338 acres, it is a single development project.

3. Attached hereto as **Exhibit A** is an aerial view of the project that accurately depicts the Debtor’s property. I am also familiar with the subject property, having personally visited the site and been engaged with the project through my work with numerous bank documents relating to the Debtor’s borrowing in connection with the project. The project is

DECLARATION OF MARK E. AHLSTEDT - 1

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1 comprised of 123.1 acres of residential zoned property and 214.58 acres of commercial zoned
2 property.

3 4. HomeStreet commenced its nonjudicial foreclosure under its deed of trust in
4 January 2010. There were a number of continuances of the trustee's sale as HomeStreet
5 explored attempts at a workout and further forbearance. This case was filed immediately before
6 the trustee's sale that was scheduled to be held on August 13, 2010. The filing stayed the
7 foreclosure.

8 5. HomeStreet has evidence that the value of the property is less than the
9 encumbrances against it. HomeStreet will present this evidence at a later date. In the
10 meantime, the applicability of the single asset real estate rules would provide guidance to all
11 parties in interest.

12 DATED this 18th day of August, 2010.

13 /s/ Mark E. Ahlstedt
14 Mark E. Ahlstedt